

House Bill 2178

Sponsored by Representative BOONE (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides for issuance of education loans to person accepted for enrollment, or to student in good standing, in program of study for advanced degree necessary to manage medical clinic. Provides loan forgiveness to such person if person agrees to manage medical clinic in medical shortage area.

A BILL FOR AN ACT

1
2 Relating to medical shortage areas; amending ORS 348.310, 348.320, 348.340 and 348.370.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 348.310 is amended to read:

5 348.310. (1) The Oregon Student Access Commission is authorized to make loans to all qualified
6 applicants, from the fund created in ORS 348.390 (1), to assist in financing the cost of a program of
7 study leading to:

8 (a) The degree of Doctor of Medicine; *[or to]*

9 (b) The degree of Doctor of Osteopathic Medicine[.]; **or**

10 (c) **An advanced degree necessary to manage a medical clinic, as determined by the**
11 **commission by rule.**

12 (2) The commission shall:

13 (a) Develop criteria for the preparation of applications and procedures for the submission,
14 evaluation, priority selection and award of loans provided for in ORS 348.310 to 348.390;

15 (b) Determine the number and amount of loans and loan renewals; and

16 (c) Adopt [*such*] rules [*as may be*] necessary to implement ORS 348.310 to 348.390.

17 **SECTION 2.** ORS 348.320 is amended to read:

18 348.320. (1) A person shall be eligible for a loan under ORS 348.310 to 348.390 if the person
19 [*is*]:

20 (a) **Is** a bona fide resident of this state;

21 (b) **Is** accepted for enrollment[,] or is a student in good standing in:

22 (A) [*The*] **A** professional medical program at an accredited medical school located in the United
23 States or [*in*] **at** an accredited school of osteopathic medicine; **or**

24 (B) **A program of study at an accredited university for an advanced degree necessary to**
25 **manage a medical clinic, as determined by the Oregon Student Access Commission by rule;**

26 (c) As a result of personal financial resources, **is** unable to pursue a program of study in the
27 absence of a loan or would be unable to do so without great hardship; and

28 (d)(A) **Is** desirous of practicing medicine in a rural community in this state, [*and*] in an area
29 [*which*] **that** meets the qualifications of a medical shortage area[.], **and the person is accepted for**
30 **enrollment, or is a student in good standing, in a program described in paragraph (b)(A) of**
31 **this subsection; or**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **(B) Is desirous of managing a medical clinic in a rural community in this state, in an**
 2 **area that meets the qualifications of a medical shortage area, and the person is accepted for**
 3 **enrollment, or is a student in good standing, in a program described in paragraph (b)(B) of**
 4 **this subsection.**

5 (2) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall apply to the
 6 [*Oregon Student Access*] commission.

7 (3) The person desiring consideration for a loan under ORS 348.310 to 348.390 shall agree in
 8 writing to practice medicine, **or to manage a medical clinic**, in a medical shortage area as defined
 9 by the Oregon Health Authority, for a period equal to [*the period covered by the loan*] **one year for**
 10 **each year that the person receives funds**, but no less than two years.

11 **SECTION 3.** ORS 348.340 is amended to read:

12 348.340. [*(1) The Oregon Student Access Commission is further authorized to establish and ad-*
 13 *minister cost-sharing loan fund programs which provide for assistance, in conjunction with community*
 14 *agencies or organizations, selected and approved by the commission in a rural community in the state*
 15 *having a population of fewer than 7,500 persons. Participation in such a program shall be on a*
 16 *matching funds basis between the Rural Medical Education Loan Fund and the approved community*
 17 *agency and shall fund the educational costs, fees and charges of a specific, eligible student, who shall*
 18 *be approved by the participating community and the commission.*]

19 [*(2) Funds provided from the Rural Medical Education Loan Fund under subsection (1) of this*
 20 *section shall not exceed 75 percent of the total amount calculated to be necessary to fund one person*
 21 *for one year, in an approved school as determined by the commission.*]

22 [*(3) The eligibility requirements for persons participating in the program established in subsection*
 23 *(1) of this section shall be the same as the requirements for eligibility in the loan program under ORS*
 24 *348.320.*]

25 [*(4) Upon completion of the program of study and training for licensure, the person receiving funds*
 26 *under this section shall not be required to repay such funds if the person practices medicine in the*
 27 *community providing the matching funds. The person shall practice medicine one year for each year*
 28 *that funds were provided, but in no event shall the person practice less than two years.*]

29 **(1) The Oregon Student Access Commission may establish and administer cost-sharing**
 30 **loan programs that provide assistance to persons who meet the eligibility requirements for**
 31 **a loan under ORS 348.320. A program established under this section must be administered in**
 32 **a rural community in this state that has a population of fewer than 7,500 persons.**

33 **(2) The commission shall coordinate with community agencies or organizations in estab-**
 34 **lishing programs under this section. All loans made pursuant to a program established under**
 35 **this section must be on a matching funds basis between the Rural Medical Education Loan**
 36 **Fund established under ORS 348.390 and the community agencies or organizations partic-**
 37 **ipating in the program.**

38 **(3) A program established under this section shall fund the educational costs, fees and**
 39 **charges of an eligible student who has been approved by the community agencies or organ-**
 40 **izations participating in the program and by the commission.**

41 **(4) Funds provided to a person from the Rural Medical Education Loan Fund under this**
 42 **section may not exceed 75 percent of the total amount calculated to be necessary to fund**
 43 **that person to attend an approved school, as determined by the commission, for one year.**

44 **(5) Notwithstanding ORS 348.370 (1), a person who receives funds under this section is**
 45 **not required to repay the funds if the person practices medicine or manages a medical clinic**

1 **in the community providing the matching funds. The recipient of the funds shall practice**
 2 **medicine or manage a medical clinic in the community at the rate of one year for each year**
 3 **that the recipient received funds, but no less than two years.**

4 **SECTION 4.** ORS 348.370 is amended to read:

5 348.370. (1) *[Persons receiving]* **A person who receives** funds under ORS 348.310 to 348.390
 6 *[shall]* **is not [be]** required to repay the funds if the person practices medicine **or manages a med-**
 7 **ical clinic** in a rural community in this state *[having]* **that has** a population of fewer than 7,500
 8 persons and *[which]* **that** meets the qualifications of a medical shortage area **as defined by the**
 9 **Oregon Health Authority.**

10 (2) The *[fund]* recipient **of funds** shall practice medicine **or manage a medical clinic** in the
 11 area designated under subsection (1) of this section at the rate of one year for each year *[the funds*
 12 *were provided to that recipient, but in no event shall any recipient practice medicine in an area]* **that**
 13 **the recipient received funds, but no less than two years.**

14 (3) *[Any]* **A person [receiving] who receives** funds under ORS 348.310 to 348.390 **and** who fails
 15 to complete the course of study~~], shall be required to~~ **must** repay the amount received to the Rural
 16 Medical Education Loan Fund **established under ORS 348.390.** Ten percent interest shall be
 17 charged on the unpaid balance, accrued from the date the loan was granted.

18 (4) *[Any]* **A person [receiving] who receives** funds under ORS 348.310 to 348.390 **and** who com-
 19 pletes the course of study and, **if applicable,** requirements for licensure, but **otherwise** fails to
 20 fulfill the obligations required by the loan, shall repay the amount received to the Rural Medical
 21 Education Loan Fund. Ten percent interest shall be charged on the unpaid balance, accrued from
 22 the date the loan was granted. Additionally, a penalty fee, equal to 25 percent of the total amount
 23 of funds received, shall be assessed against the person. No interest shall accrue on the penalty.

24 (5) *[Any]* Funds received by the Rural Medical Education Loan Fund under *[subsections (3) to*
 25 *(6) of]* this section shall be used by the Oregon Student Access Commission for the purpose of car-
 26 rying out the provisions of ORS 348.310 to 348.390.

27 (6) The commission may waive any interest or penalty assessed under *[subsections (3) to (6) of]*
 28 this section *[in case of]* **if the commission determines that the person has suffered an** undue
 29 hardship.

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